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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

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IN REPLY REFER TO:

CC 92-77

September 16, 1994

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SEP 22 1994

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

The Honorable Phil Gramm
United States Senate
Attention: Clarissa Clarke
2323 Bryan Street, # 1500
Dallas, TX 75201

Dear Senator Gramm:

Thank you for your letter on behalf of Paul E. Bailey, Facility Administrator, Wackenhut Corrections Corp., regarding the Commission's Billed Party Preference (BPP) proceeding. On May 19, 1994, the Commission adopted a Further Notice of Proposed Rulemaking in this proceeding. I have enclosed a copy of the Further Notice and press release accompanying it for your information.

The Further Notice sets forth a detailed cost/benefit analysis of BPP. This analysis indicates, based on the available data, that the benefits of BPP to consumers would exceed its costs. The Further Notice seeks comment on this analysis and asks interested parties to supplement the record concerning the costs and benefits of BPP. The Further Notice also invites parties to recommend alternatives to BPP that could produce many of the same benefits at a lower cost.

The Further Notice also explicitly seeks comment on whether correctional facility telephones should be exempt if BPP is adopted. Specifically, the Further Notice seeks additional information on the effectiveness and costs of controlling fraud originating on inmate lines with or without BPP. The Further Notice also seeks comment on a proposal to exempt prison telephones from BPP if the operator service provider adheres to rate ceilings for inmate calling services.

BPP would not preclude prison officials from blocking or limiting inmate calls to specific telephone numbers in order to prevent threatening and harassing calls. Moreover, BPP would not affect the ability of prison officials to limit inmates to collect calling or to program telephone equipment at the prison site to block certain numbers.

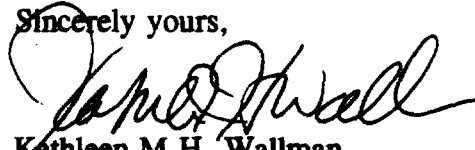
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The Honorable Phil Gramm
Page 2

Thank you for your interest in this proceeding. I can assure you that the Commission will carefully examine all of the comments submitted in response to the Further Notice, including additional empirical data regarding the costs and benefits of implementing BPP and the impact of BPP on telephone service from correctional facilities.

Sincerely yours,



Kathleen M.H. Wallman
Chief
Common Carrier Bureau

Enclosures

Phil Gramm
Texas

United States Senate

MEMORANDUM

Date: 8-10-94

Federal Communications Commission
Office of Congressional Affairs
1919 M Street, N.W.
Washington, D.C. 20554

My constituent has sent me the enclosed communication, and I would appreciate a response which addresses his/her concerns.

Please send your response, together with the constituent's correspondence, to the following address:

Office of Senator Phil Gramm
2323 Bryan Street, #1500
Dallas, Texas 75201

Attention: Clarissa Clarke

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92-77
4081

WACKENHUT

SECURITY SYSTEMS AND SERVICES THROUGHOUT THE WORLD

WACKENHUT CORRECTIONS CORPORATION
CENTRAL TEXAS PAROLE VIOLATOR FACILITY
218 S. LAREDO
SAN ANTONIO, TEXAS 78207

July 12, 1994

AUG 5 1994

The Honorable Phil Gramm
United States Senator
370 Russel Senate Office Bldg.
Washington, D. C., 20510

Subj. Bill Party Preference (BPP)


Dear Senator Gramm:

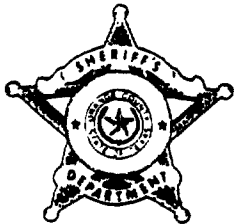
As a representative of a correctional institution under private contract to the State and Federal governments, I am writing to ask that you oppose the proposal to implement Bill Party Preference. First, the basic reason for BPP is to insure users of public communications open access to their long distance carrier of choice, and the by-pass regulations in place today already allow for the public's open access to the carrier of choice. Second, by not allowing private payphone owners and location clients the right to choose the primary long distance carrier on their equipment, the owner and/or location client loses the ability to negotiate fair commissions from their selected carrier. Also, the location owner, under BPP, brings no value to the primary carrier because each caller has their call automatically routed to the carrier they have chosen for their residence. The net result is that location owners and clients lose their rights to fair commissions on revenue generated from their properties.

I strongly believe that, where possible, inmates should pay their way. This proposal removes that requirement and eliminates the opportunity for us to require the inmate to participate. The inmate phone business is vastly different from the environment of public communication users, and should be exempt from BPP even if it were to pass. For instance, correctional institutions are allowed to cut off any collect call to a location where third party or call conference is detected. (No Bell Company, LEC or ISX is permitted to do that.) Private carriers have developed systems unique to the needs of Corrections that allow us to protect the public/witnesses/courts etc. from harassing calls. Inmates are not so much concerned with the choice of carrier as they are with whether or not the institution will allow them to make calls. Institutions have become more and more liberal on open calling policies when they can share fairly from the revenue of each call and when the inmate pays their own share. Without this inmate phone commission revenue, many correctional institutions wouldn't put up with security concerns of open calling. Many would go back to the days of one call every ninety days.

The public is demanding taxpayer relief from incarceration costs. Inmate phone revenue, never available before deregulation, needs to continue its income generating role. That will not happen with Billed Party Preference.

Sincerely,


Paul E. Bailey
Facility Administrator



ORANGE COUNTY SHERIFF'S DEPARTMENT

P.O. BOX 1468 ★ ORANGE, TEXAS 77631-1468
ORANGE (409) 883-2612 VIDOR (409) 769-6391
FAX (409) 883-7545

AUG 4 1994



Sheriff's Association of Texas
Member

HUEL R. FONTENOT
SHERIFF



July 22, 1994

Senator Phil Gramm
U.S. Senate
Washington, D.C. 20515

COMMENTS OF THE ORANGE COUNTY SHERIFF'S DEPARTMENT CORRECTIONAL FACILITY

We at the Orange County Sheriff's Department Correctional Facility are concerned about the proposed Billed Party Preference for long distance telephone calls. There are 3 particular areas that will be affected to our detriment, namely:

1. We will lose blocking control of our inmate phone calls;
2. We will lose a revenue stream and the inmate family phone costs could go up;
3. The potential for fraud will creep back into the system;

Along with these major concerns, we also see a problem with who is going to pay for all this?

We eagerly oppose the BPP and encourage the FCC to do the same.

Thank you,

Huel R. Fontenot
Huel R. Fontenot
Sheriff
Orange County

10055 Nugget Creek
Converse, TX 78109-1644

July 20, 1994

The Honorable Phil Gramm
United States Senator
Russell Senate Office Building
Washington DC 20510

Dear Senator Gramm:

As both an employee in the communications industry and a tax paying citizen, I am stating my strong opposition to *Billed Party Preference (BPP)* for 0+ Calls. Further, I respectfully request your support in ensuring that Communications Commission Docket 92-77 is defeated.

Confinement facilities are unique and, as such, they require specialized phone system equipment. These systems permit a facility to block an inmate's call to specific numbers, block undesired inbound calls, prevent three-way calling and, overall, reduce fraud and other criminal activity. All of these capabilities are inherent in the equipment which means that, for the most part, intervention by administrative personnel is not required and that the maintenance of security is not jeopardized.

A highly competitive market dictates that the technically sophisticated equipment be installed at little or no cost to the facility and that the provider's commissions be paid to the facility. The commissions facilities receive are a major source of revenue for the inmate welfare funds which finance inmate programs such as family visitation, education and rehabilitation programs. Thus, many of the positive aspects of incarceration are actually being paid for by the inmates.

Succinctly put, most, if not all, of the positive factors derived from the current way of doing business will be discarded if Billed Party Preference becomes a reality. The industry would be going back to the period prior to 1987 when few correctional facilities in the country were paid commissions and many had to pay for their inmate phone service. From a financial point of view, it could be a disaster. Local telephone and long distance companies would no longer have to pay commissions because there would be no competition. Without commissions, facilities would have to turn to their governing body and taxpayers and compete for already scarce resources. Inmate morale funding would be decreased and attended by an increase in inmate control problems. Who would pay for the inmate phone equipment necessary to control calls and prevent fraud and abuse? Again, facilities would have to turn to government sources. Cutting existing programs or increasing taxes would be the requirement to balance budgets. With inmate populations growing at rates estimated from 10 to 15 percent per year, inmate populations could increase by 40 percent by the end of the century. This, of course, will mandate an increase in the number of facilities and manpower to administer them. More inmates and facilities will necessitate more non-revenue producing inmate phone systems if BPP were approved for correctional facilities.

I appeal for your support in defeating Communications Commission Docket 92-77 with the saying, "If it ain't broke, don't fix it!" Even though inmate phone service is not perfect, a competitive market helps ensure that improvement continues.

Sincerely,

Paula Miller

BOBBY WEAVER
SHERIFF, GREGG COUNTY

AUG 08 1994

101 E. METHVIN, SUITE 559
LONGVIEW, TEXAS 75601-7214



AC 903/236-8400

Federal Communications Commission
Secretary's Office
1919 M Street NW Room 222
Washington, D.C. 20554

Dear Sir:

We are writing you to express our concern for the pending regulation before the Federal Communications Commission dealing with Billed Party Preference for long distance telephone calls from inmates. Our inmate telephone system will be greatly hindered in the following ways if this regulation is put in place:

1. We will be unable to block phone numbers of victims to prevent harassment and intimidation by inmates.
2. We will be unable to supervise the system by our own staff.
3. Eliminating collect-only calls, will cost us to provide a service that the inmates are now paying for themselves.

We are all aware of the need to reform our Criminal Justice System. Our current White House Administration stated they intend to be a pro law enforcement administration. It is ironic that the current White House appointed Commissioners would pass a regulation that is a slap in the face of correctional and law enforcement agencies to which the White House has dedicated its support.

Thank you for your consideration.

Capt. Don Denman
Capt. Don Denman
Jail administrator
Gregg County Jail

Lt. Jim Reader
Lt. Jim Reader
Administrative Assistant
Gregg County Jail

cc: Vice President Al Gore
Hon. Phil Gramm

Hon. Kay Bailey Hutchinson
Hon. Jim Chapman